



**COSTA MESA SANITARY DISTRICT
MINUTES OF BOARD OF DIRECTORS REGULAR MEETING
AUGUST 9, 2005**

CALL TO ORDER

The Board of Directors of the Costa Mesa Sanitary District met in regular session on August 9, 2005, at 12:00 p.m. at 628 W. 19th Street, Costa Mesa.

President Ferryman called the meeting to order at 12:00 p.m.

PLEDGE OF ALLEGIANCE

Director Perry led the Pledge of Allegiance

INVOCATION

Director Woodside gave the invocation.

ROLL CALL

DIRECTORS PRESENT: James Ferryman, Greg Woodside, Art Perry, Arlene Schafer, Dan Worthington

DIRECTORS ABSENT: None

STAFF PRESENT: Robin B. Hamers, Manager/District Engineer; Alan Burns, Legal Counsel; Tom Fauth, Assistant Manager; Joan Revak, Board Secretary/Program Manager/Clerk of the District; Wendy Davis, Treasurer; Sherry Kallab, Accountant; Denise Gilbert, Permit Processing Specialist

OTHERS PRESENT: None



..... **CONSENT CALENDAR**

Ms. Davis requested the Treasurer's Report be considered at a later date from the Consent Calendar, stating the report was not available due to the early meeting date.

Director Schafer motioned to approve the Consent Calendar as presented, with the exception of the Treasurer's Report. Director Perry seconded. Motion carried 4-0.

Director Worthington arrived at 12:05 p.m.

REPORTS

MINUTE APPROVAL

Minutes of Regular
Meeting,
July 11, 2005

The Minutes of the Regular Meeting of July 11,
2005, were approved as distributed.

CCM/MCWD/CMSD
Liaison Committee
Meeting, July 22, 2005

The Minutes of the CCM/MCWD/CMSD Liaison
Committee Meeting of July 22, 2005, were
approved as distributed.

MANAGER'S REPORTS

Refunds

There were no refunds for the month of July 2005.

Occupancy Report and
Payment of \$194,616.34
to Costa Mesa Disposal –
August 2005

The Trash Occupancy Count documented an
increase of 1 unit for the occupancy report for solid
waste collection as of August 1, 2005, therefore,
the total for August is 21,257.

Board directed Staff to prepare a warrant for
\$194,616.34 to Costa Mesa Disposal on September
1, 2005, for August 2005 collection count of 21,257.

Monthly Spill Report to
Regional Water Quality
Control Board (RWQCB)

The Monthly Spill Report to the Regional Water
Quality Control Board (RWQCB) for July 2005 was
accepted as submitted.



ENGINEER'S REPORTS

Project Status Report The Project Status Report dated August 2005 was accepted as submitted.

TREASURER'S REPORTS

Financial Report as of The Financial Report as of June 30, 2005 was June 30, 2005 accepted as submitted.

Treasurer's Report as of The Treasurer's Report was not yet completed and July 31, 2005 will be presented at the September meeting.

Warrant 2006-2 for August Warrant Resolution #CMSD 2006-2 was approved, 2005 in the amount of authorizing the President and Secretary to sign the \$609,014.89 warrant ratifying the payment of certain claims and demands, and specifying the funds out of which the same were paid in the amount of \$609,014.89.

Directors Expenses for the Director Compensation and Expense Month of July 2005 Reimbursement for the Month of July 2005 were approved and ratified as follows:

Director Ferryman: \$170.00
Director Perry: \$680.00
Director Schafer: \$1,020.00
Director Woodside: \$340.00
Director Worthington: \$850.00

..... **END OF CONSENT CALENDAR**

ATTORNEY'S REPORT

INDEMNIFICATION PROVISIONS IN CMSD AGREEMENTS

Mr. Burns provided a brief report regarding indemnification provisions in CMSD Agreements. Mr. Burns stated he recommends the broadest indemnity possible to minimize the District's exposure. SDRMA concurred and provided a statement reflecting this position.



Mr. Burns reported the District requested a broad indemnification from the City of Costa Mesa in the City/District Agreement, the same requested of all service providers to the District.

Mr. Hamers commended Mr. Burns for his foresight in having the District contact SDRMA, the District's insurance provider, to ascertain their recommendations to the District.

CITY/DISTRICT AGREEMENT

Mr. Burns provided a brief update on the current status of the City/District Agreement.

Discussion was held.

The Board instructed Staff to prepare a letter for the President's signature to the Mayor, City of Costa Mesa City Council, and Allan Roeder on behalf of the Board stating that no agreement has been reached on the contract language and it has been 13 months without an agreement in place. Therefore, 120 day notice will be given to the City of Costa Mesa that the District intends to discontinue use of the City's field crews.

Barring a change in the City's position, the District will utilize alternate means of field crew services beginning December 15, 2005. The District plans on relocating its equipment from the City Yard by this same date.

A copy of previous communication of January 13, 2005 will be included with the letter.

Director Worthington motioned to direct Staff to prepare a letter to the Mayor, City of Costa Mesa City Council, and Mr. Allan Roeder as directed. Director Perry seconded. Motion carried 5-0.

CURBSIDE HHW AGREEMENT

Mr. Hamers reported Curbside Inc. is no longer a part of Safety Clean and provided a brief report regarding the District's possible liability.

Discussion was held.

The item was tabled and will be discussed at the September regular meeting.



COSTA MESA DISPOSAL AND CR TRANSFER CONSOLIDATED AGREEMENT

Mr. Burns reported he has continued to make phone calls to Costa Mesa Disposal and CR Transfer and has not received a response.

WRITTEN COMMUNICATIONS

Ms. Revak reported there were no written comments received.

PUBLIC COMMENTS

There was no public in attendance, no public comments made.

MANAGER'S REPORTS

STANDARDIZED TRASH CONTAINER PROGRAM REPORTS

Mr. Fauth presented the Ordinance Enforcement Summary Report for the month of August 2005. Approximately 20 courtesy flyers were distributed to residents and three containers sprayed to cover graffiti markings.

Discussion held regarding trash containers in alleys.

Director Worthington suggested having Mr. Shef take photographs of the alleys and present them for the Board's review.

Mr. Fauth will provide Mr. Shef with a list of alleys compiled from complaints received.

CMSD STRATEGIC PLAN

YEAR 2005 STRATEGIC PLANNING ACTION ITEMS

NEW DISTRICT HEADQUARTERS

BUILDING AND GROUNDS AD HOC COMMITTEE

UPDATE ON IMPROVEMENTS

Mr. Fauth presented a reproduction of the landscape improvement drawing from Mr. Peter Weisbrod and provided a brief overview of changes.



Mr. Fauth reported the contractor was contacted regarding the front and rear doors corrections.

Mr. Fauth reported the right-of-way vacation for the flag pole location will be available after August 15, 2005.

Mr. Fauth reported he is receiving quotes to paint the exterior of the building.

REPAIR ROOF, PAINT BUILDING EXTERIOR, INSTALL LANDSCAPE IMPROVEMENTS

Mr. Fauth provided a review of the repair matrix listing items in order of repair precedence and requested approval from the Board.

In accordance with the District's rules and regulations, the Ad Hoc Committee will accept bids and orchestrate the building improvements shown in the CMSD Headquarters Matrix, not to exceed \$15,000. Any bid over \$15,000 will be brought to the Board for approval.

RESPONSE FROM CR&R ON TRASH COLLECTION RATES

Mr. Fauth reported he spoke to Mr. Ronnenberg of CR&R regarding the trash collection rates. Mr. Ronnenberg stated he delegated the item to his CFO.

Mr. Fauth reported a written response should be received within the week.

Mr. Burns left the meeting at 1:25 p.m.



RECYCLING COMMITTEE – MONDAY, AUGUST 8, 2005 - 12:00 P.M., CMSD
BOARDROOM, 628 W. 19TH STREET, COSTA MESA, DIRECTORS WOODSIDE AND
WORTHINGTON

The Recycling Committee meeting was postponed to later in the month.

RECYCLING COMMITTEE GOALS FOR 2005/2006

TOURS OF CR TRANSFER AND OC LANDFILL

TOUR HELD JULY 13, 2005

Mr. Fauth presented photographs and a brief update on the July 13, 2005 tour.

TOUR SCHEDULED FOR AUGUST 24, 2005

Mr. Fauth reported an additional tour has been scheduled for August 24, 2005.

NON-PROFIT GROUP RECYCLING PROJECTS

Nothing reported due to postponement of Recycling Committee meeting.

LARGE ITEM COLLECTION 2005

Ms. Revak reported the Large Item Collection program began June 13, 2005 and will run until August 26, 2005. As of July 29, 2005, 274.79 tons were landfilled at a total cost of \$6,045.16. Recyclable White Goods collected during this period totaled 105.68 tons, for a credit of \$10,575.48, amounting to a net credit to date of \$4,530.32.

Ms. Revak reported CR&R is paying \$22/ton to dispose of trash and CMSD is being paid \$100/ton for white goods. White goods account for 25% of all items collected.

RECYCLING REPORTS

WASTE DIVERSION REPORT – JULY 2005

Ms. Revak presented the Waste Diversion Reports for July 2005 showing a 50.89% diversion rate.



Director Perry motioned to receive and file the report. Director Schafer seconded. Motion carried 5-0.

CONTRACT PAYMENT TO CR TRANSFER FOR RECYCLING SERVICES AND DISPOSAL

PAYMENT FOR JUNE 2005 SERVICES

Director Schafer motioned to ratify contract payment to CR Transfer for recycling services and disposal for the month of June 2005 in the amount of \$209,434.55. Director Woodside seconded. Motion carried 5-0.

PAYMENT FOR JULY 2005 SERVICES

Director Schafer motioned to ratify contract payment to CR Transfer for recycling services and disposal for the month of July 2005 in the amount of \$191,678.56. Director Woodside seconded. Motion carried 5-0.

JOINT MEETING WITH MIDWAY CITY SANITARY DISTRICT (MCSD) AT CMSD HEADQUARTERS

Ms. Revak reported no meeting date has been received from Midway City.

ENGINEER'S REPORTS

WASTE DISCHARGE REQUIREMENTS – (WDR)

GENERAL UPDATE

Mr. Hamers reported the Statewide WDR is being drafted and Steering Committee members are meeting to review and provide comments.

Mr. Hamers reported the lawsuit between Coastkeepers and the Garden Grove Sanitary District has not yet been settled.

PROJECT NO. 174 - GREASE CONTROL PROGRAM DEVELOPMENT

Mr. Hamers provided a FOG (Fats, Oils, and Grease) map for the Board's review.

Mr. Fauth provided an update on the Permit statistics.



Mr. Fauth provided a brief review of the FOG recovery charges. Mr. Fauth reported establishments will be charged as follows:

\$150 for each hot food establishment
\$60 for each cold food establishment

In the original matrix, there were 59 hot food establishments and 373 cold food establishments identified. Due to the latest data received, there were 386 hot food establishments defined and 16 cold food establishments.

Mr. Fauth's originally anticipated \$142,000 in fees collected. With the updated information, a total of \$172,000 is anticipated, an increase of \$30,000.

Discussion was held.

Director Perry motioned to approve the FOG recovery charges of \$2.31, \$60.00, and \$150.00 as shown in Mr. Fauth's report. Director Worthington seconded the motion. Motion carried 5-0.

DEVELOPMENT AGREEMENT AT 1901 NEWPORT BLVD. – EXCESS SEWER FLOWS

Mr. Hamers reported the agreement is not ready for presentation.

INDEPENDENT ENGINEER'S REVIEW OF 2004-2005 AND 2005-2006 CAPITAL IMPROVEMENT PROGRAM

Mr. Hamers provided the review for Board consideration.

Director Schafer motioned to approve the Independent Engineer's Review of 2004-2005 and 2005-2006 Capital Improvement Program, subject to making the recommended changes, and payment of the invoice of \$1,875.00. Director Woodside seconded. Motion carried 5-0.



PROJECT #166 – MANHOLE AND PUMP STATION RECOATING

Mr. Hamers reported Project #166 has been completed and recommended the Board accept the improvements as completed and file a Notice of Completion, authorize payment of 5% retention 35 days after Notice of Completion is recorded, and exonerate Labor and Material Bond 35 days after Notice of Completion is recorded. Exonerate Faithful Performance Bond one year after Notice of Completion is recorded.

Director Woodside motioned to accept the improvements as completed and file a Notice of Completion, authorize payment of 5% retention 35 days after Notice of Completion is recorded, and exonerate Labor and Material Bond 35 days after Notice of Completion is recorded, exoneration of Faithful Performance Bond one year after Notice of Completion is recorded. Director Perry seconded. Motion carried 5-0.

PROJECT #101 – WESTSIDE PUMPING STATION ABANDONMENT

Mr. Hamers presented Project #101 - Westside Pumping Station Abandonment, and a proposal to begin the design phase of the project. Mr. Hamers recapped the favorable comments for the project included in the independent engineer's review of the project.

Director Schafer motioned to authorize preliminary engineering of Project #101, Westside Pumping Station Abandonment, not to exceed \$15,000. (Engineer \$80.00/hour and 2-man survey crew (\$185/hour). Director Perry seconded. Motion carried 5-0.

PROJECT #168 – TUSTIN PUMPING STATION RELOCATION – PHASE 1

Mr. Hamers tabled Project #168 Tustin Pumping Station Relocation – Phase 1.

TREASURER'S REPORTS

CORRECTED LAFCO FUNDING CONTRIBUTION FROM CMSD

Ms. Davis presented a corrected LAFCO funding contribution report. Ms. Davis reported the Board previously approved fees for the LAFCO contribution of \$11,781.73.

Ms. Davis reported LAFCO had an error in their formula on their worksheets, resulting in a corrected contribution amount of \$16,541.57.



Director Perry motioned to re-approve Resolution No 2005-711, Approving an Alternative Formula for Distributing LAFCO Fees Among the Independent Special Districts in Orange County, approve the corrected LAFCO contribution in the amount of \$16,541.57, and an adjustment of \$4,761.00 from contingency to fund the professional membership dues. Director Woodside seconded. Motion carried 5-0.

LOCAL MEETINGS

ORANGE COUNTY SANITATION DISTRICT (OCSD)

REGULAR MEETING – JULY 20, 2005 (PRESIDENT FERRYMAN/DIRECTOR SCHAFER)

Director Schafer attended the OCSD meeting. Director Ferryman reported the following:

- Blake Anderson submitted resignation – Board did not accept the resignation
- Oversight Committee monitoring Anderson

SANTA ANA RIVER FLOOD PROTECTION AGENCY

The Santa Ana River Flood Protection Agency Meeting was cancelled.

INDEPENDENT SPECIAL DISTRICTS OF ORANGE COUNTY (ISDOC)

Director Schafer attended the meeting on August 2, 2005 and reported they discussed the following:

- Next meeting at OCSD (October 28, 2005 - Quarterly meeting)
- LAFCO dues
- California Governor requested to be speaker at next meeting

LOCAL AGENCY FORMATION COMMISSION (LAFCO)

Director Schafer will attend the August 10th meeting and provided a brief update of the items on the agenda to be discussed.



CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)

Director Schafer participated in a conference call CSDA meeting and reported they discussed the following:

- August 23, 2005 meeting in Oxnard
- Annual Conference in Long Beach

ANNUAL CONFERENCE AND EXHIBITOR SHOWCASE – SEPTEMBER 27-29, 2005, LONG BEACH

Director Perry motioned to approve attendance for Directors Schafer and Worthington, to the September 27-29 CSDA Conference and Exhibitor Showcase in Long Beach. Director Woodside seconded. Motion carried 5-0.

MEETINGS OF: COSTA MESA CITY COUNCIL, OCCOG, WACO, CHAMBER OF COMMERCE

WACO

Director Schafer attended the WACO meeting of August 5, 2005, and reported the following:

- CSDA program guest speakers
- Update on Federal Water Issues

OLD BUSINESS

There was no old business discussed.

NEW BUSINESS

RESOLUTION No. CMSD-2005-712 – ELECTION OF SEVEN DIRECTORS TO THE SPECIAL DISTRICT RISK MANAGEMENT AUTHORITY BOARD OF DIRECTORS

Director Schafer provided a brief update on the upcoming election.

Director Schafer motioned to adopt Resolution No. CMSD-2005-712 – Election of Seven Directors to the Special District Risk Management Authority Board of Directors. Director Woodside seconded. Motion carried 5-0.



ORAL COMMUNICATIONS AND DIRECTOR COMMENTS

Director Perry requested the Ad Hoc Committee meeting date be changed to September 30, 2005.

ADJOURNMENT

At 8:13 p.m., President Ferryman adjourned the meeting.

SECRETARY

PRESIDENT